

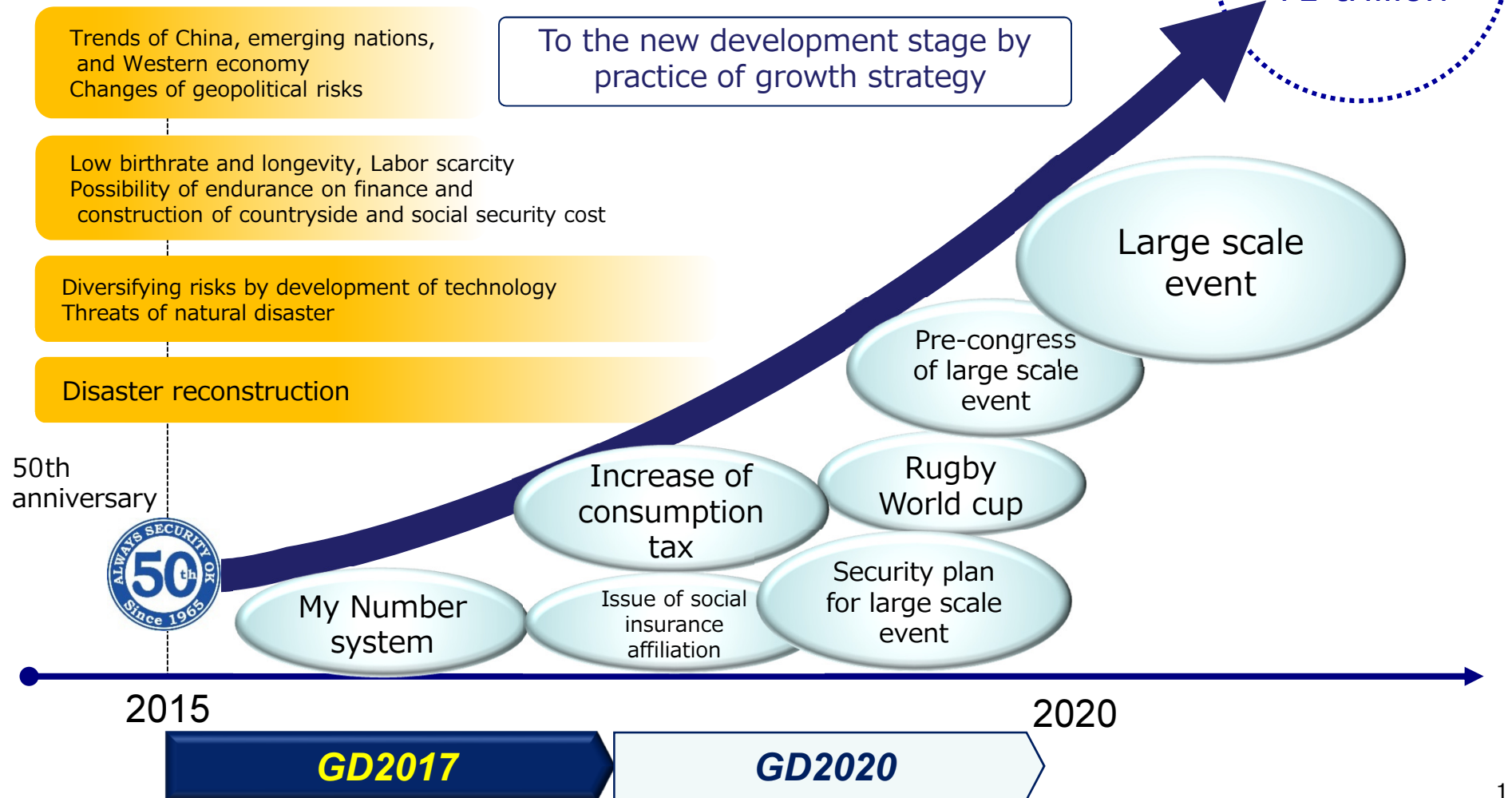
***G*rand *D*esign 2017**

ALSOK Medium-term Management Plan

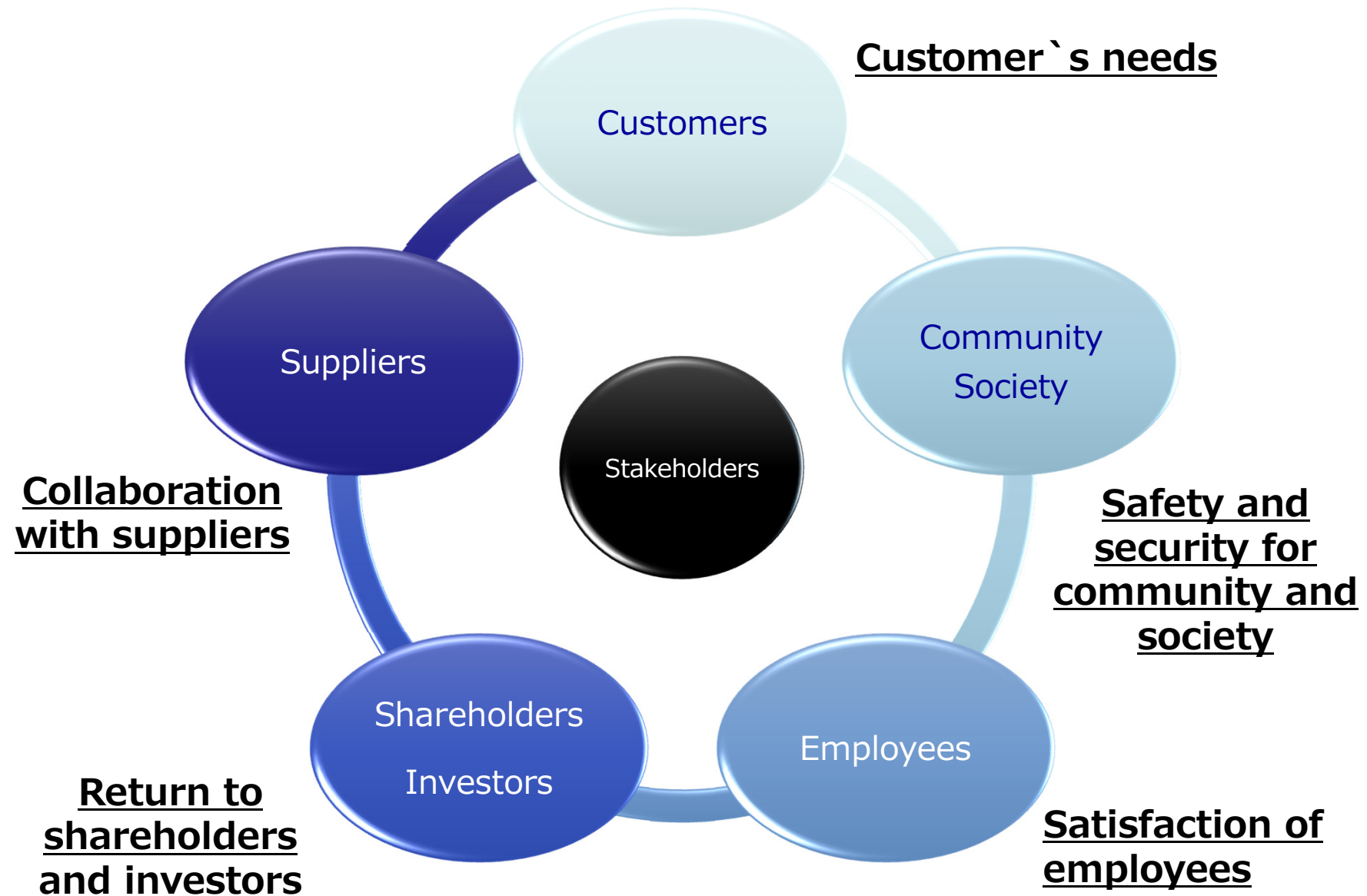
1. Long-term development

For the aim of being a company to support people`s security and safety and comfortable living with protecting facilities, people, and properties

Designed three-year plan Grand Design 2017 for the practice of growth strategy, While targeting the sales of ALSOK Group ¥1 trillion into view



2. Development to meet expectations of stakeholders



3. Basic policies of Grand Design 2017

1 Expansion in net sales of ALSOK Group

- ① Expansion of existing business by increasing productivity of sales representative
- ② Expansion in net sales by bringing the best of synergy effect
- ③ Providing new services to meet customer`s needs

2 Conversion to high profit constitution

- ① Improving labor productivity per person
- ② Utilizing human resources
- ③ Cost reduction as a group whole including managerial side



4. Strategy of Grand Design 2017

To the next 50 years ~Developing by cooperation within ALSOK Group~

Basic Policies for Grand Design 2017

Marketing Strategy

Response to outsourcing needs and diversifying needs of customers

Business Corporation

Financial Institutions

Public Sector

Individuals

Overseas

Approach to promote the marketing strategy

Compositive security service corresponding to diversifying risks and needs

Evolution to a service protecting customers from diversifying risks resulted by environment change and technical innovation

Construction of facility management business structure

Providing services such as security, fire protection, construction, building maintenance in one-stop

Development of new products and services

Development of new products and services by utilizing the newest technology

Expansion of business

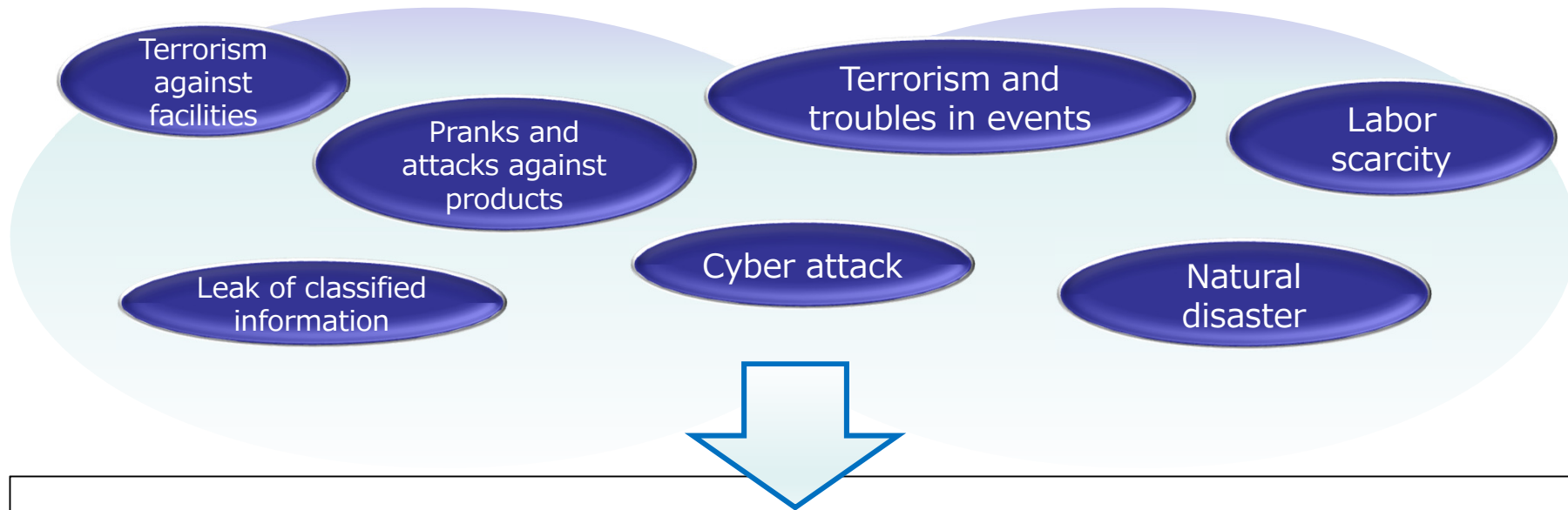
Expansion of business having synergy with existing business

Stable securement of human resources and cultivation of human resources having competitive strength

Stable Securement of Human Resources
Cultivation of human resources having competitive strength
Office with vitality

5. Marketing Strategy

(1) Business Corporation



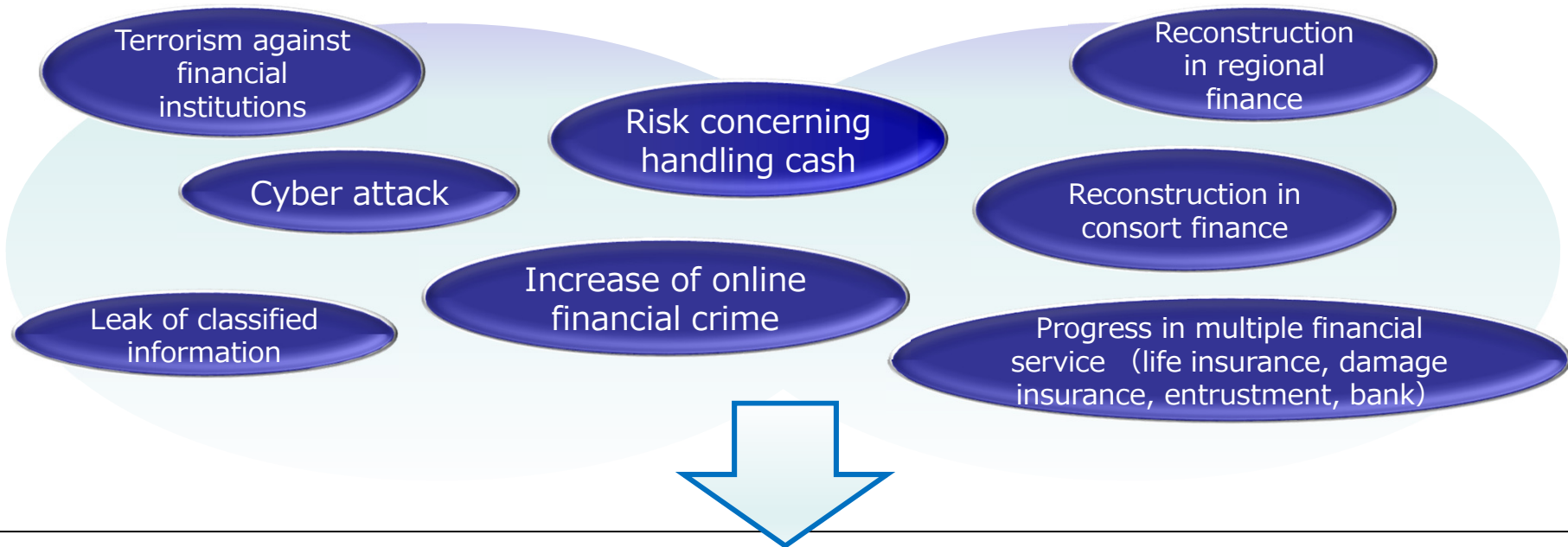
Providing services protecting companies from every risks that threatens safety and security

Accept on trust of one`s own security service and management services from labor scarcity and aging of employees

- **Enhancement in contracts of large scale projects**
- **Capturing outsourcing needs such as stationed security, transportation security, and facility management**
- **Focus on market that newly-build facilities and renewal of existing facilities could be seen**

5. Marketing Strategy

(2) Financial Institutions



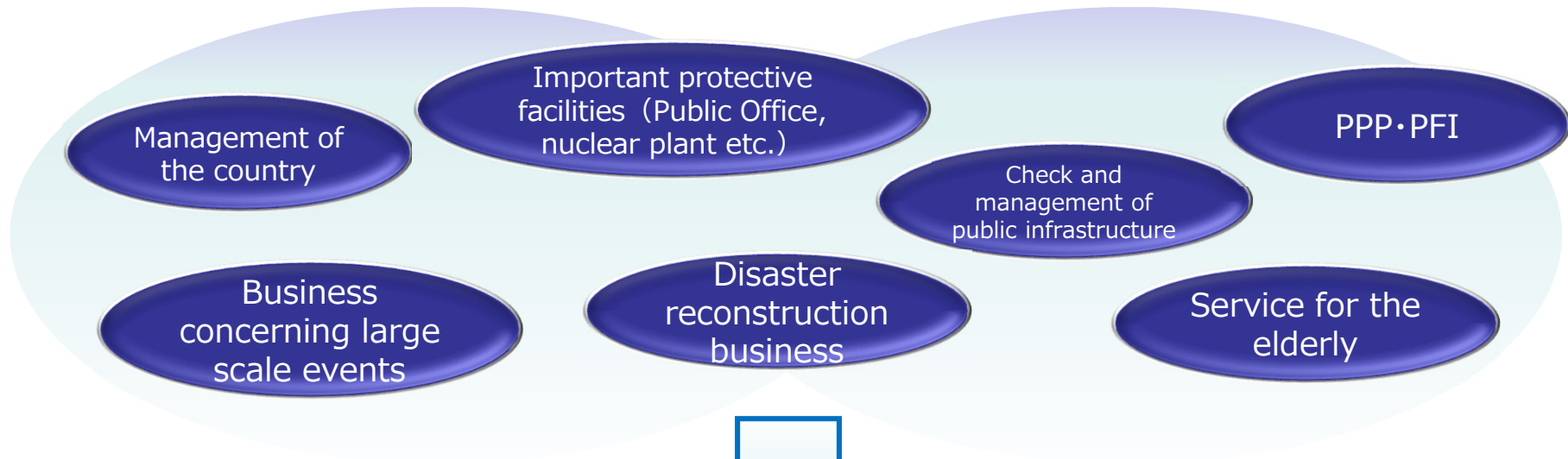
Expansion in total service for security

Expansion in outsourcing service

- Expansion of outsourcing service which supports efficiency and rationalization in bank business
- Contribution to regional financial institutions and reclamation of new customers throughout business matching
- Sales promotion for total service of security which captures the chance of premises renewal or establishing new premise

5. Marketing Strategy

(3) Public Sector



Public Sector·Providing collaboration service between ALSOK and public work service

- Expansion in contracts concerning PPP and PFI
- Expansion in contracts of security service concerning events and large scale international conference
- Supplement by private sector for public service concerning security and safety

5. Marketing Strategy

(4) Individuals

Service and products responding to diversifying needs concerning safety and security of the customers



- Measures against stray and snatch
- Measures against crimes aimed towards children



HOME ALSOK

MIMAMORI SUPPORT

- Emergency Report
- Health Counseling
- Watching over



モバイルみまもりセキュリティ
MAMOLOOK



HOME ALSOK
ALBO eye

- measures against stalker and bestial crime
- Simplified home security

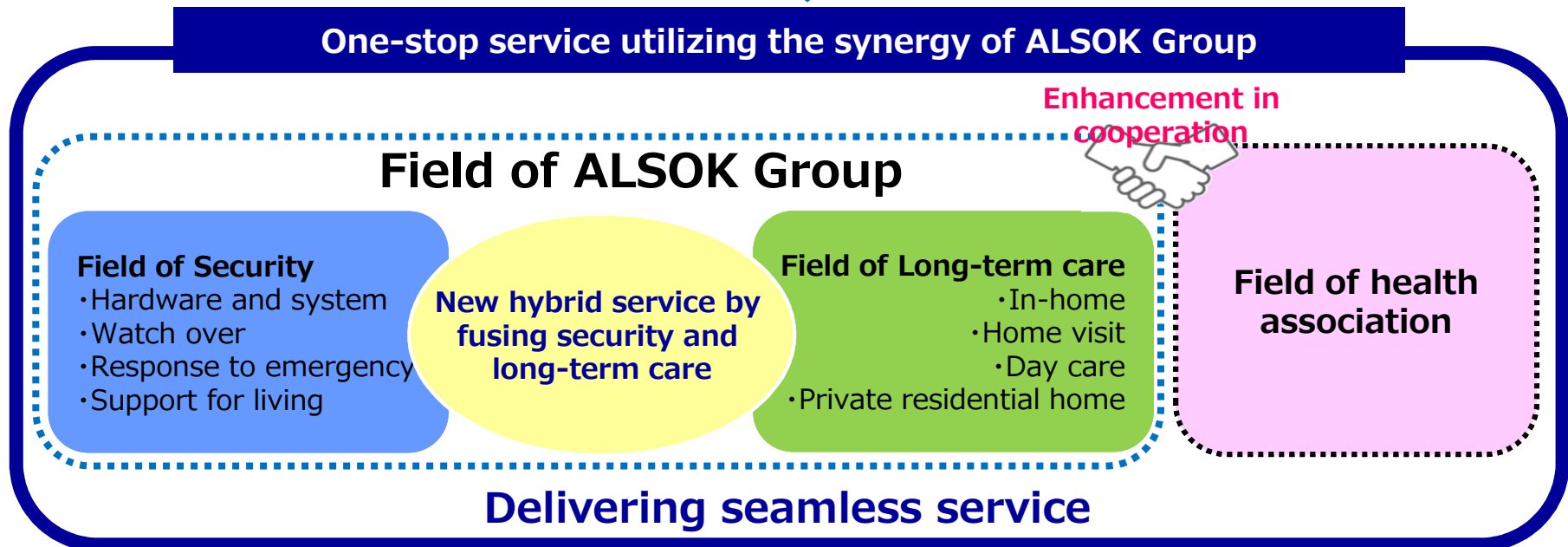
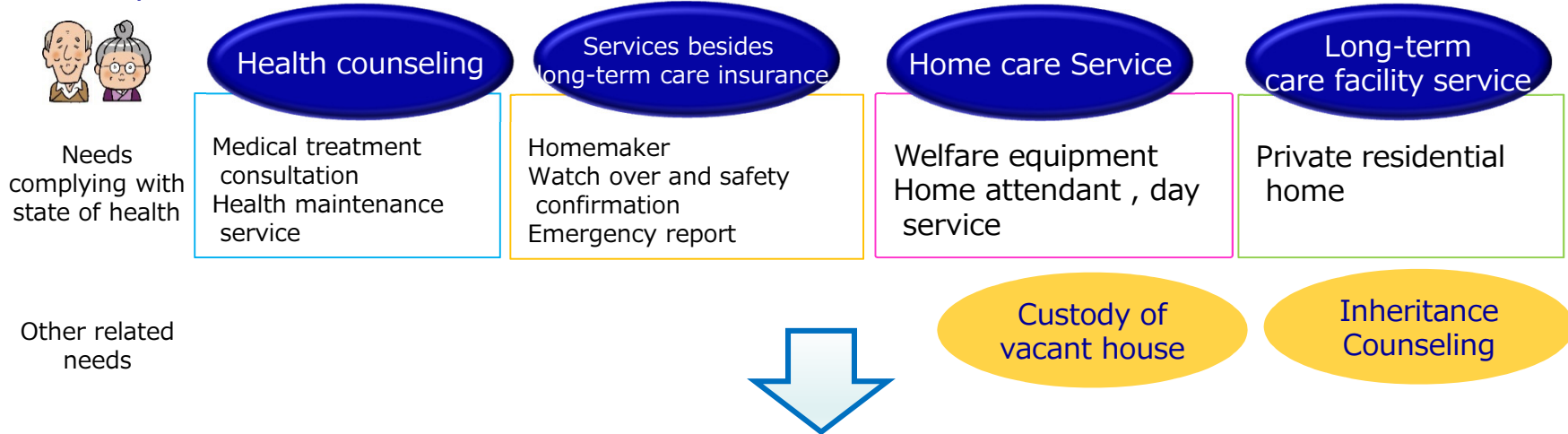


- Home Security
 - Corresponding to smartphone
 - Outdoor video surveillance
- Condominium security

5. Marketing Strategy

(4) Individuals

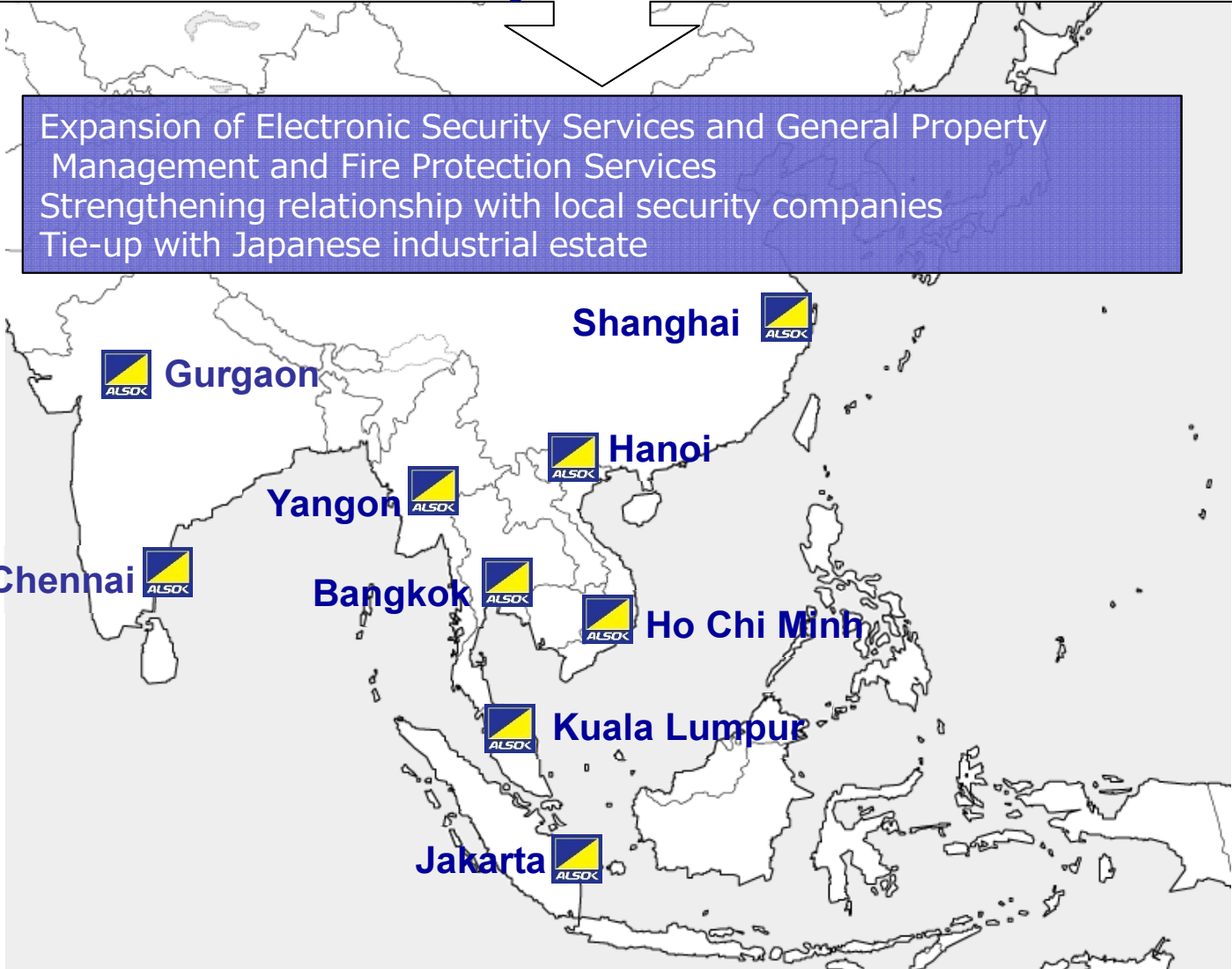
Creating new hybrid service by fusing security and long-term care, especially focusing on expansion of service for the elderly



5. Marketing Strategy

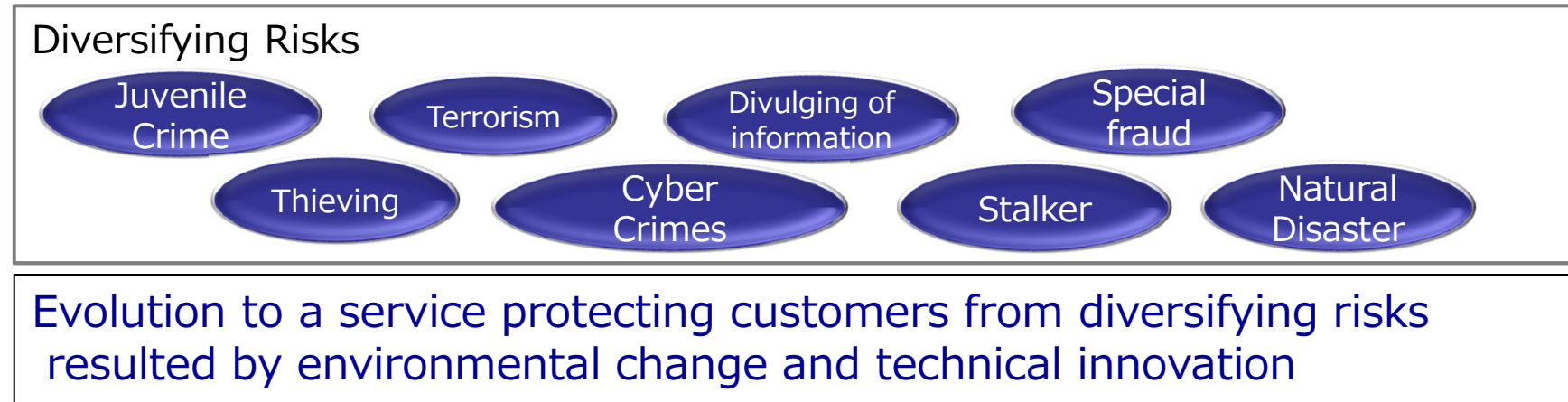
(5) Overseas

Expansion of business based on the situation of each country and
Challenge to new business



6. Approach to promote the marketing strategy

(1) Composite security service corresponding to diversifying risks and needs



Expansion in objectives to protect

Secure within and without facilities
Secure safety of individuals

Elements that is necessary for the development of security service

Understanding the situation more quickly and in detail

Security Guards

Multitask of security guards
Expansion in functions of security guards utilizing ICT technology

Prepared to response to any affairs

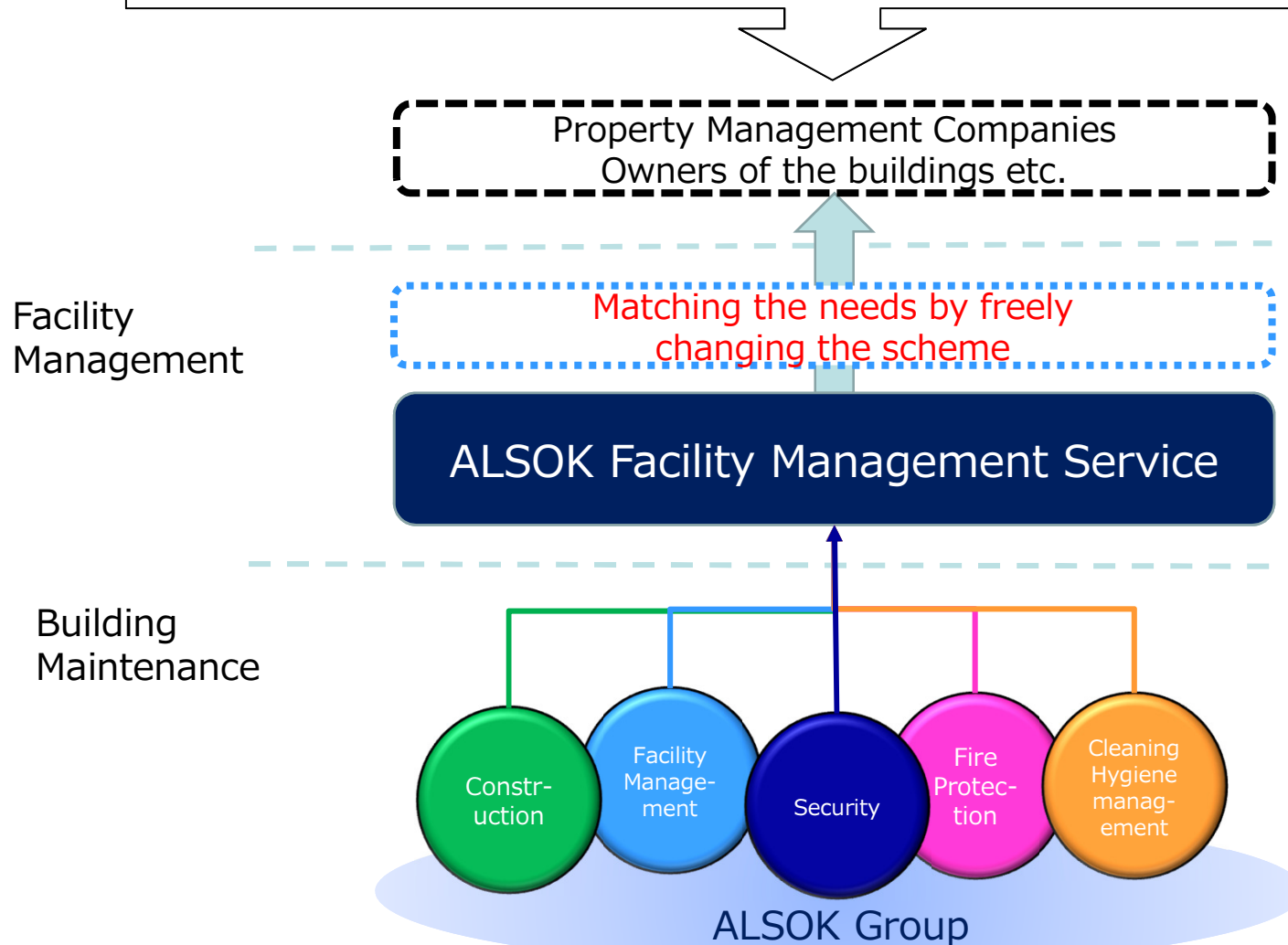
Center function

Connecting hub function between informations that are collected, shared, analyzed and relating institution

6. Approach to promote the marketing strategy

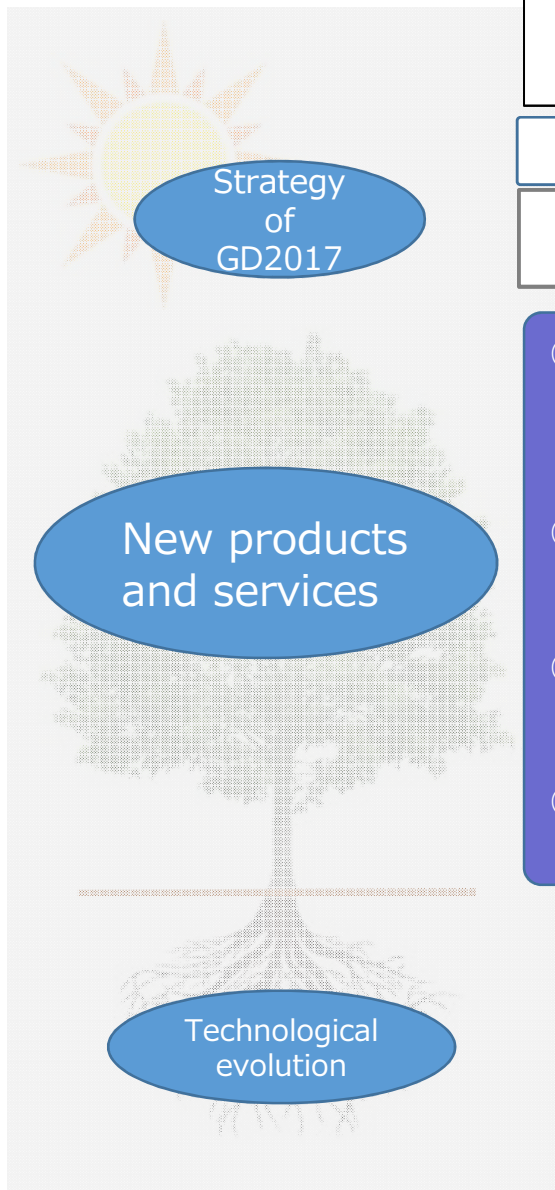
(2) Construction of facility management business structure

Not only providing security service , but to provide facility security and variety of services in one-stop by cooperating with ALSOK Group



6. Approach to promote the marketing strategy

(3) Development of new products and services



Development of new products and services by utilizing the newest technology

Marketing Strategy

Response to outsourcing needs and diversifying needs of customers

- Development of new security service, realizing the optimization of cost and high quality security service which is combined with security guard and ICT
- Expansion in software services for public sector commencing with national resilience
- Development of integrated solution from stationed security guards and building management system
- Development of new services for individuals by integrating long-term care service and security service

- 5G Network (large capacity high-speed communication)
- Big Data
- Wearable terminal

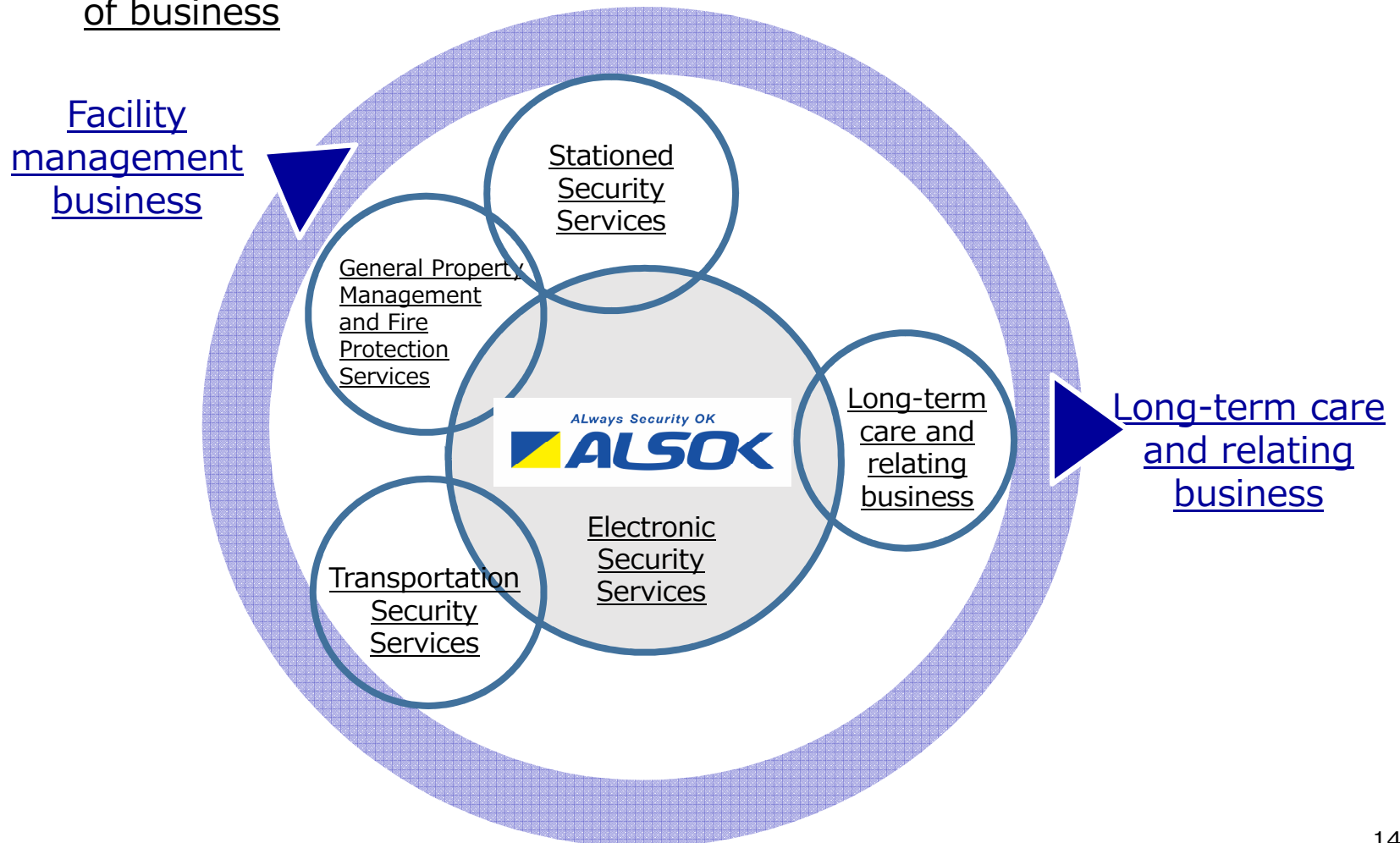
- Flying robots
- Sophistication of image analysis
- Sophistication of sensing technique and authentication technique
- Improvement in accuracy of location information

6 . Approach to promote the marketing strategy

(4) Expansion of business

Expansion of business such as facility management and long-term care business which has synergy with existing business

Image for expansion
of business



6. Approach to promote the marketing strategy

(5) Stable securement of human resource and cultivation of human resources having competitive strength

Stable Securement of Human Resource

- ☆ Enhancement in recruitment of new graduates and carriers
- ☆ Promotion in recruitment of Group companies
- ☆ Promotion for active role of elderly human resource

Realization of personnel affairs that match basic strategy

Cultivation of human resource having competitive strength

- ☆ Human resource development of specialists and leaders
- ☆ Promotion of personnel affairs concerning Group companies
- ☆ Fulfilling education and training programs

Office having vitality

- ☆ Promotion of work-life balance
- ☆ Reconstruction of valuation system
- ☆ Promotion of diversity
~Promotion active role for women~

Percentage of woman in administrative position
Target: 5%

7. Financial Goal

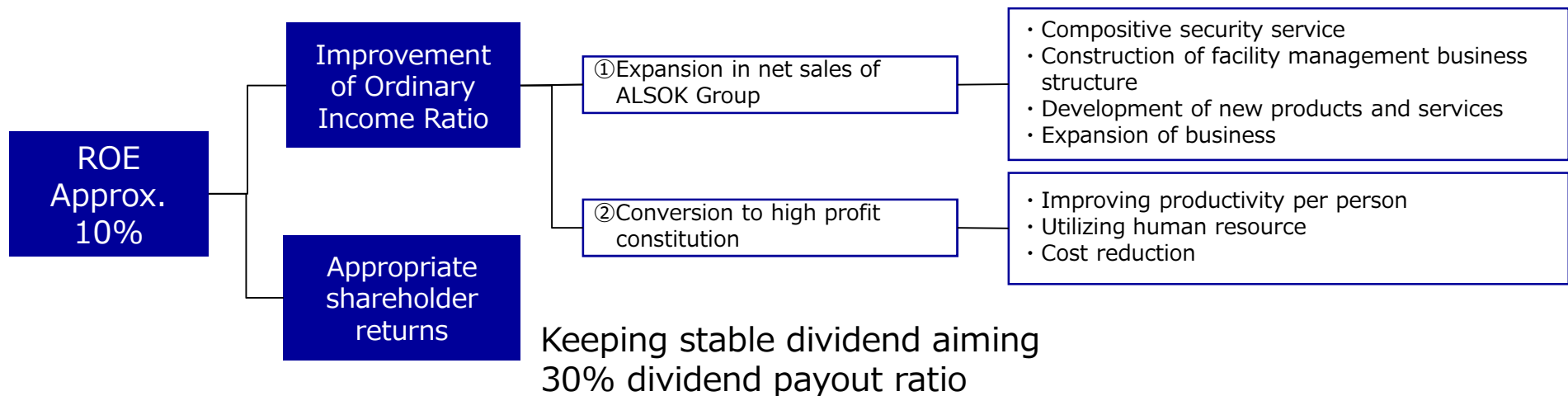
FY 2015		FY 2018	
Net Sales	¥365.7 billion	Approx. ¥500.0 billion	
Ordinary Income	¥24.7 billion	Approx. ¥40.0 billion	
Ordinary Income Ratio	6.8%	Approx. 8.0%	
ROE	7.8%	Approx. 10.0%	



Strategy for improvement of ROE

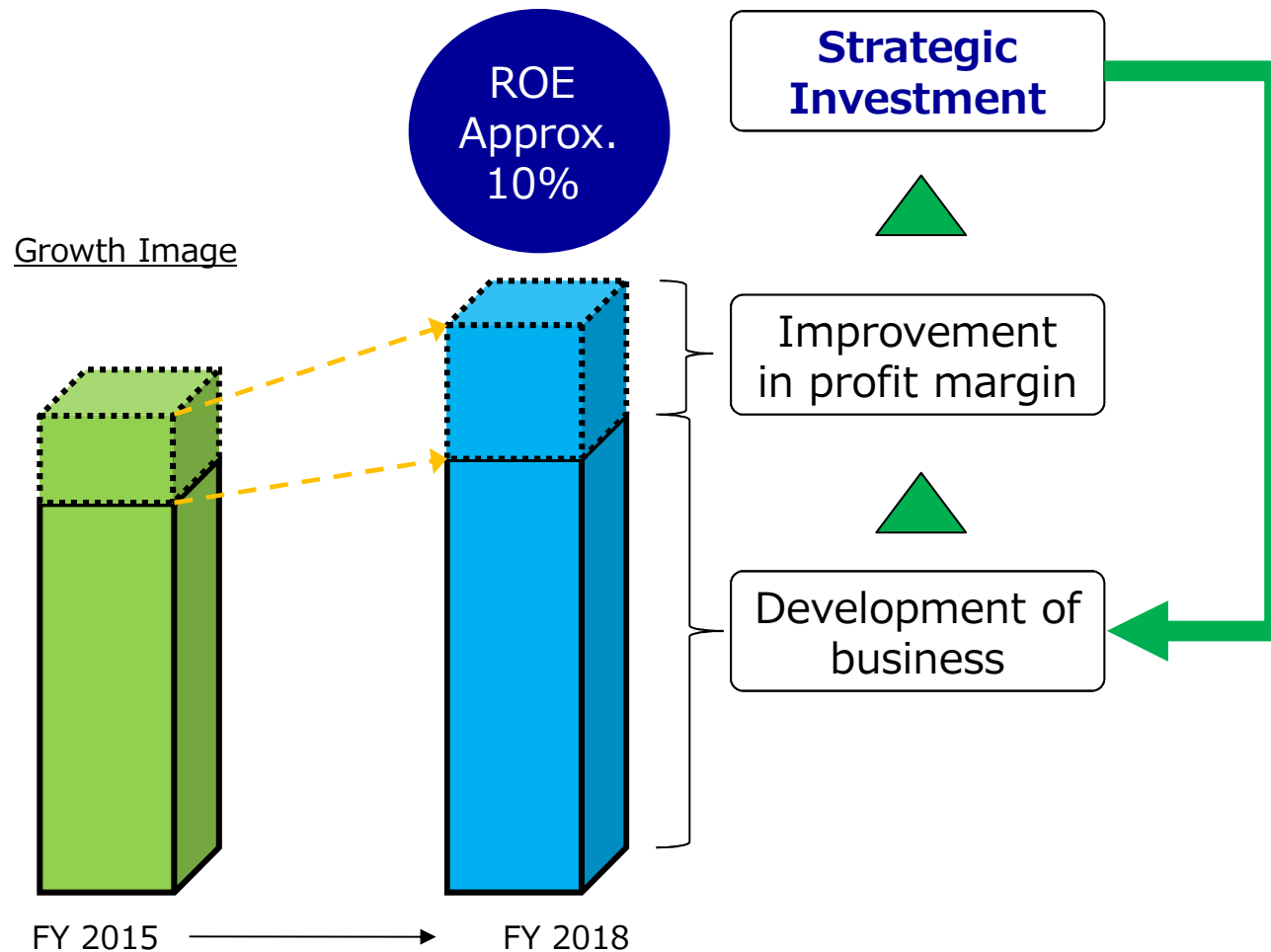
Basic Policies

Marketing Strategy etc.



8. Investment Policy

While maintaining stable financial base, ALSOK seeks improvement of ROE by generating cash from enlarging profit and accelerating development of business by strategic investment



9. Response to Corporate Governance Code

